

Message Text

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TO USDEL SECRETARY IMMEDIATE

INFO AMEMBASSY STOCKHOLM PRIORITY

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TAGS: SOPN, OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT BERNARD D. NOSSITER PAGE ONE BY-LINER
WASHINGTON POST WEDNESDAY SEPTEMBER 15 HEADED "SECRET SWEDE
FUNDS BUY SPY DEVICES."

2. SECRET PAYMENTS CHanneled BY SWEDEN TO U.S. AIR FORCE
INTELLIGENCE FOR A NUMBER OF YEARS ARE BEING USED TO PURCHASE
ELECTRONIC DEVICES THAT ENABLE STOCKHOLM TO LISTEN IN ON
MILITARY COMMUNICATIONS IN THE SOVIET BLOC, IT WAS LEARNED
TODAY.

3. ACCORDING TO INFORMED SOURCES HERE, THE PAYMENTS WERE
HIDDEN BECAUSE OF NEUTRAL SWEDEN'S DELICATE RELATIONS WITH
ITS BALTIC NEIGHBORS AND BECAUSE SOME SWEDISH OPINION WOULD
BE HORRIFIED BY ANY CLASSIFIED DEAL WITH THE PENTAGON.

4. DIPLOMATS HERE ARE CONVINCED THAT AT LEAST SOME OF WHAT
SWEDEN LEARNS THROUGH ITS MONITORING DEVICES IS FILTERED
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BACK TO THE PENTAGON. SWEDISH OFFICIALS DECLINE, HOWEVER,

TO CONFIRM THIS, PRESUMABLY BECAUSE THAT WOULD BE TOO NAKED A BREACH OF NEUTRALITY.

5. THE EFFECTIVENESS OF THE AMERICAN-SUPPORTED SYSTEM WAS DEMONSTRATED LAST NOVEMBER, WHEN THE DEFENSE RADIO AUTHORITY, THE USER AGENCY HERE, PICKED UP MESSAGES SENT BY MOSCOW TO SOVIET BOMBERS PURSUING A RUNAWAY SOVIET FRIGATE.

6. WITH AN ELECTION HERE SUNDAY, THE GOVERNMENT IS MAKING NO APOLOGIES FOR THE AFFAIR, ALTHOUGH IT IS OBVIOUSLY EMBARRASSED THAT IT CAME TO LIGHT. STIG SYNNERGREN, THE WIDELY RESPECTED AND BLUNT-SPEAKING SUPREME COMMANDER OF THE SWEDISH ARMED FORCES, WAS ORDERED INTO ACTION TODAY TO FIELD HOSTILE QUESTIONS FROM SWEDISH REPORTERS.

7. AT THIS PRESS CONFERENCE, THE GENERAL REFERRED ONLY TO THE PURCHASE OF "ELECTRONIC MATERIAL FOR THE GATHERING OF INTELLIGENCE." HE AND OTHER MILITARY MEN MAINTAINED A DISCREET SILENCE ON PRECISELY WHAT THE DEVICE WAS USED FOR, NOR WAS ANYTHING SAID AT THE PRESS CONFERENCE ABOUT THE TARGET AREA.

8. IT IS, HE SAID OF THE DEAL, "A PERFECTLY LEGITIMATE BUSINESS TRANSACTION, A PAYMENT FOR DELIVERED GOODS, AND NOT, AS HAS BEEN INSINUATED, PAYMENT FOR SERVICES."

9. "DELIVERIES ARE STILL GOING ON," THE GENERAL SAID. "AND WE WILL USE THE SAME METHOD OF PAYMENT...NO MATTER WHAT YOU WRITE TODAY."

10. THE SECRET PAYMENTS WERE DISCLOSED IN FOLKET I BILD, A MAOIST FORTNIGHTLY MAGAZINE THAT HAS CRACKED INTELLIGENCE SECRETS HERE BEFORE. THE MAGAZINE DETAILED FOUR PAYMENTS OF MORE THAN \$250,000 FROM 1970 TO 1973. THEY WERE MADE BY SWEDEN'S THEN-DEFENSE MINISTER, SVEN ANDERSSON, NOW FOREIGN MINISTER, THROUGH COMMERCIAL BANKS, WITH THE BIGGEST SLICE GOING TO MAJ. GEN. ROCKLY TRIANTAFELLU, THEN CHIEF OF U.S. AIR FORCE INTELLIGENCE.

11. THE TECHNIQUE BYPASSED SWEDEN'S DEFENSE MATERIAL ADMIN-
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ISTRATION, WHICH NORMALLY DOES THE PURCHASING. GEN. SYN-
NERGREN READILY ACKNOWLEDGED THAT THE MONEY CAME FROM
SECRET DEFENSE MINISTRY FUNDS.

12. BECAUSE THE PAYMENTS FROM SWEDEN WENT TO AIR FORCE
INTELLIGENCE, THE U.S. PRODUCER OF THE ELECTRONIC DEVICE WAS
KEPT IN THE DARK ABOUT HIS ULTIMATE CUSTOMER. HE WOULD KNOW
ONLY THAT HE RECEIVED AN ORDER FROM THE PENTAGON, NOT

SWEDEN, AN ARRANGEMENT THAT APPARENTLY SUITED BOTH WASHINGTON AND STOCKHOLM.

13. SIDESTEPPING THE DEFENSE MATERIAL ADMINISTRATION KEPT

THE SWEDISH PARLIAMENT AND PUBLIC IN THE DARK, A DISCLOSURE THAT MAY ALSO HURT THE GOVERNMENT PARTY AT THE POLLS.

14. THE REASONS FOR ALL THIS SECRECY, IT WAS EXPLAINED HERE, WERE THESE:

. STOCKHOLM DID NOT WANT ITS BALTIC NEIGHBORS--THE SOVIET UNION, POLAND AND EAST GERMANY--TO KNOW THAT IT HAD THE CAPABILITY TO MONITOR THEIR AIR, SEA AND GROUND FORCE TRANSMISSIONS. NOR DOES IT WANT THEM TO KNOW THAT THIS CAPABILITY IS BEING USED.

. EVEN THOUGH SYNNERGREN ACKNOWLEDGED IN AN INTERVIEW WITH THE WASHINGTON POST THAT SECRECY IN THESE MATTERS IS SHORT-LIVED, THERE IS AN IMPORTANT DIPLOMATIC DIFFERENCE BETWEEN COVERT MONITORING AND A BLATANT ANNOUNCEMENT THAT IT IS GOING ON.

. PUBLIC DISCLOSURE OF THE DEAL WOULD HAVE OFFENDED MANY IN SWEDEN. AS EARLY AS 1968, WASHINGTON'S RELATIONS WITH STOCKHOLM WERE ALREADY STRAINED. OLOF PALME, WHO BECAME PRIME MINISTER A YEAR LATER, HAD MARCHED IN AN ANTI-WAR PARADE WITH THE NORTH VIETNAMESE AMBASSADOR AND, IN TIME, WASHINGTON RECALLED ITS ENVOY. THE GOVERNMENT HERE WOULD HAVE HAD TROUBLE EXPLAINING HOW IT COULD DEAL WITH THE PENTAGON FOR A SENSITIVE DEVICE AND DAMN THE UNITED STATES AT THE SAME TIME.

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. AS PART OF AN ARRANGEMENT OF THIS SORT, ALMOST INEVITABLY THE USING COUNTRY PASSES ON TO ITS SUPPLIER SOME OF THE FRUITS OF ITS LABORS. TO GIVE A NATO LEADER MILITARY INFORMATION ABOUT THE SOVIETS APPEARS TO BE AN OBVIOUS VIOLATION OF SWEDEN'S NEUTRALITY.

15. THE STORY HAS BEEN A BOMBSHELL FOR THE MEDIA HERE, HEADLINED ON FRONT PAGES IN THREE OF THE FOUR BIG DAILIES AND DOMINATING RADIO AND TELEVISION NEWSCASTS. BUT ITS POLITICAL FALLOUT IS UNCERTAIN.

16. PALME IS FIGHTING A COME-FROM-BEHIND CAMPAIGN TO MAINTAIN THE 44-YEAR-OLD RULE OF SOCIAL DEMOCRATS. POLITICIANS IN ALL CAMPS AGREE THAT SUNDAY'S PARLIAMENTARY ELECTION WILL BE EXTREMELY CLOSE, MUCH LIKE THE ONE THREE

YEARS AGO WHEN THE GOVERNMENT FORCES AND THEIR OPPOSITION
ENDED IN A TIE.

17. THE SECRET-PAYMENTS AFFAIR HAS BROKEN ONLY FIVE DAYS
BEFORE THE VOTERS GO TO THE POLLS. IF IT INFLUENCES ENOUGH
WAVERING SOCIAL DEMOCRATS TO STAY AT HOME, IT COULD TURN

THEIR PARTY OUT OF OFFICE.

18. (AT THE PENTAGON, CHIEF SPOKESMAN ALAN WOODS SAID
YESTERDAY THAT AIR FORCE SECRETARY THOMAS C. REED HAD
ORDERED AN INQUIRY INTO ANY MONEY SENT FROM THE SWEDISH
GOVERNMENT TO THE AIR FORCE. WOODS SAID HE DID NOT KNOW
WHEN THE INQUIRY WOULD BE COMPLETED. HE DECLINED TO COMMENT
FURTHER.) (END TEXT.) ROBINSON

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